

City of Coral Gables City Commission Meeting
Agenda Item F-3 and F-4 are related
May 8, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Pat Keon
Commissioner Vince Lago
Commissioner Frank Quesada
Commissioner Michael Mena

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Parking Director, Kevin Kinney
Finance Director, Diana Gomez

Public Speaker(s)

Agenda Item F-3 and F-4 are related [1:53:54 p.m.]

F-3: An Ordinance of the City Commission of Coral Gables, Florida amending the City Code, Chapter 74, entitled “Traffic and Vehicles,” to include additional definitions, additional prohibitions, additional provisions, providing for administrative appeal procedures; providing for a repealer provision; severability clause; codification and providing for an effective date. (Sponsored by Commissioner Lago)

F-4: An Ordinance of the City Commission of Coral Gables, Florida amending the City Code, Chapter 1, General Provisions, Section 1-7 entitled “Penalties,” to include additional penalties for violations of Chapter 74, entitled “Traffic and Vehicles,” providing for a repealer provision; severability clause; codification and providing for an effective date. (Sponsored by Commissioner Lago)

Mayor Valdes-Fauli: Item F-3.

City Attorney Ramos: Item F-3 is An Ordinance of the City Commission of Coral Gables, Florida amending the City Code, Chapter 74, entitled “Traffic and Vehicles,” to include additional definitions, additional prohibitions, additional provisions, providing for administrative appeal procedures; providing for a repealer provision; severability clause; codification and providing for an effective date. The correspondence item is F-4 is an Ordinance of the City Commission of Coral Gables, Florida amending the City Code, Chapter 1, General Provisions, Section 1-7 entitled “Penalties,” to include additional penalties for violations of Chapter 74, entitled “Traffic and Vehicles,” providing for a repealer provision; severability clause; codification and providing for an effective date. The Parking Director and Assistant City Attorney Throckmorton are present and available to discuss with you what these two mean, when they go into effect and what changes happen between first and second.

Assistant City Attorney Throckmorton: I’ll just speak briefly about the changes between First and Second Reading. In the first ordinance which is the parking code itself there was an addition of a scoff wall provision, which provides for impoundment, if there are five or more unpaid tickets within the City; and on the penalties ordinance, based on the advice of the Parking Advisory Board, fees were changed from \$28 to \$30 for various violations and violations for parking or filing were changed from \$50 to \$100, again based on the advice of the Parking Advisory Board. And, I’ll turn it over to the Parking Director to address the ordinance and the penalty.

Parking Director Kinney: One thing I do want to make sure we all understand is, this would be the beginning of a process. We did have an initial meeting with the County Clerk’s office yesterday, but there are a number of items we would have to do beginning with, we have a 90-day opt out provision in most of our contracts. We would have to put together the City’s appeal process for administrative hearings and obtain the equipment we would need to issue citations and manage the citation process. So, if the Commission takes action today we are probably looking at 4 to 6 months before implementation.

Assistant City Attorney Throckmorton: And, just for background information that...has proposed raising fees, they have heard their ordinance on First Reading, so that may come into effect in the time period between – if and when this ordinance is passed and when our ordinance is implemented.

Commissioner Lago: I was in yesterday’s meeting with the County and with our Clerk, there has been a push to get this passed by the County, obviously as a result of, this is my opinion, what the City of Coral Gables is doing. So, I think what we are doing here is something very positive and there’s going to be an influx of money, which will give us a lot more flexibility, that I want Kevin to go over with in detail, if possible; and I think it also allows us to deal with issues that

we are having with our downtown, and after spending all this money and really making a significant investment in our downtown. I think we need to address the issues of congestion, the issue of deliveries, which again, puts us in a tough position to really enforce certain individuals that are not abiding by the law.

Parking Director Kinney: Just to follow up on a couple of points that you raised. Diana is prepared to talk about money. I would defer to her on the money issues. What I would say is that one of the reasons historically and I think a few of you were on the Commission at the time is, the League of Cities did vote and ask the County to raise most of the city's in the County had voted to ask the County to raise fines. When that issue was brought to this Commission the County was not telling us what the fines were going to be, so the Commission declined to take a position. One of the things we noticed in comparing what we are proposing for fines with the County is there are several instances where the County is proposing a much higher rate and that is simply because they see Miami-Dade County as an urban county. We actually see Coral Gables a little different than the City of Miami or Miami Beach and what they may see as an acceptable fine on the Beach for an expired meter, we don't really think that's an acceptable fine in Coral Gables. So that's one of the issues that's happening. The other thing is, if we look at just the fines that are currently written, an \$18 expired meter tag our fine, we either get, we get between 28 and 46 percent of that fine as revenue to the City; and at this time, although we need enforcement the parking operations and parking operations we all know does generate revenue, but just looking solely at the enforcement component, our fine revenue does not pay completely for enforcement, and part of that's because we get such a small portion of what the actual fine is.

Commissioner Lago: And the shortfall is around \$300,000, correct?

Parking Director Kinney: \$250,000.

Commissioner Lago: \$250,000. Can you also give a little bit, so my colleagues understand that when a parking ticket is expired and someone hasn't met the deadline of 30-31 days to pay that parking ticket, it becomes delinquent and it goes from \$18 to \$45, correct?

Parking Director Kinney: At first it goes to \$31 and then to \$45. There are two different components what the County considers a late fee and then there is additional cost for collections and that brings it to \$45, and of that \$27 above the \$18 fine, we get...

Commissioner Lago: \$7.50.

Parking Director Kinney:...a small amount.

Commissioner Lago: We get a small portion. Where we migrate from the County to the City, we'd get the entire portion.

Parking Director Kinney: Well our proposal is that there is only a \$15...fee that would be charged additional cost.

Commissioner Lago: I agree, that's perfectly fine, but I'm saying we would go from \$7.50 to actually getting \$15, which is a significant increase.

Assistant City Attorney Throckmorton: The Finance Director has looked at the current finances, what we have presented before you here on Second Reading and sort of a brief overview of what the County have initially proposed for their First Reading with the numbers that they have provided us with. So the Finance Director has that information.

Finance Director Gomez: Sure. For the record, Diana Gomez, Finance Director. So as Kevin mentioned, based on averages, average number of citations and the charges for the citations based on the information that we have from the County. It is about a million dollars of ticket revenue that comes in and the expenses are about \$1.25 million dollars, so we are about \$250,000 less cost over revenues in the current situation. If we were to, the proposal that we have to take us to the normal expired ticket from \$18 to \$25, which is I believe, is the proposal, and bringing that in-house, we do obviously have additional expenditures, but the next increase, so-to-speak would be about \$500,000, so it would make up the \$250,000, plus an additional about \$250,000 of revenue, so we would be in the positive for the budget perspective about \$500,000.

Commissioner Lago: And, that would still leave a spread of around \$3 if we were to bump up to the County's proposal, correct?

Finance Director Gomez: Well that's at 25.

Commissioner Lago: 25 – I'm saying it would leave a \$3 margin if we wanted to bump up to what the County is...

Finance Director Gomez: 32.

Commissioner Lago: 32 – I thought it was 25, excuse me.

Finance Director Gomez: And so then the County's, so it's with the County so we would not have added expenditures, but using the County's rates, the total we would have to assume that at 32 there may be a larger change in behavior than there would be at 25, so we have to reduce it by

a little bit to be fair. It would be the swing, instead of the \$500,000, it would be more like \$625,000, \$650,000 in the positive and there wouldn't be the additional expenditures, so using their rates in the current situation, with the current operations, it would be, the total positive would be about \$650,000.

Commissioner Keon: So, what does it cost us to run this program?

Finance Director Gomez: Right now it cost ...

Commissioner Keon: What will it cost?

Finance Director Gomez: In the first year it will cost us about \$1.75 million dollars in the first year and then you have a reduction of about \$140,000 in ongoing years, because there is a one-time cost for equipment, so that \$1.625 in the ongoing years.

Parking Director Kinney: Just to make it clear. When we were looking at the cost, we were very conservative for the administrative position, we budgeted in this calculation \$100,000. For the Hearing Officer position, we budgeted for a very large number of appeals, but with the system that we are going to put in place, we are not expecting ten percent of appeals, but we budgeted for that just in case. And then with the processing fees for managing our citation, we budgeted very high. Some of the companies I spoke with were as low as \$1.20 for citation, we budgeted \$1.75, because that was the highest cost I could find.

Commissioner Keon: So there is an initial one-time cost, is that what you are saying?

Finance Director Gomez: About \$140,000 for equipment.

Commissioner Keon: \$540,000 for equipment?

Finance Director Gomez: No, \$140,000.

Commissioner Keon: \$140,000.

Commissioner Lago: You know another interesting point that, just to see you guys can get a little more background and Kevin told me this information, that 50 percent of tickets become delinquent, which I found very interesting.

Parking Director Kinney: Go past the late fee.

Commissioner Lago: Go past the late fee, OK, so perfect. So, when you think about that we are increasing almost doubling what we are getting in reference to those tickets, it's a significant windfall.

Parking Director Kinney: I would mention on that point...

Commissioner Lago: Kevin always wants to temper, you know.

Parking Director Kinney: We will be sending out a notice...to try and encourage people to comply.

Commissioner Lago: Of course. But let me, my colleague mentioned here we shouldn't look at it as a revenue stream. It already is a revenue stream, which we are collecting on behalf, which we are collecting literally enforcing on behalf of the County who is the one reaping the benefits. So to make a long story short, somebody's got to reap the benefits, I'd rather it be the City of Coral Gables. Another idea that I have for the future and I'll bring it up now since we are here, would be a great opportunity is, if we are able to adapt smart parking and get all of this in-house, we could potentially offer some really great incentives for residents. For example, one day no parking if you are a Coral Gables resident, no fee associated with that. That could be something that we as a Commission could talk about and take some of that additional revenue and give it back to our residents and to our business community to kind of promote people to come to the downtown and visit the other commercial area we have near Sunset. So, there are different opportunities that we could use some of this money for, not only just to go to the General Fund.

Vice Mayor Quesada: A few quick questions. I spoke to you earlier this morning, a few questions I had. I think you've covered most of it; I just want to make sure I understand it properly. This is really just financial, I just want to clarify it and make sure I understand it. So currently today, if we didn't vote on anything status quo for the way it's been for the last several years or quite a long time. If I park and I don't pay and I get a ticket its \$18, correct?- we generate gross about \$1.9 million dollars approximately, let's say \$2 million dollars easy math, roughly \$2 million dollars on vehicle ticketing in the City. Of that \$2 million dollars about \$900,000 of that is taken by the County?

Finance Director Gomez: So there are different components. So, using \$2 million roughly...

Vice Mayor Quesada: Yes.

Finance Director Gomez: There is a set amount that goes toward the school crossing guard fund, which we get back some of that when we put it toward our school crossing guards, so that's about \$385,000.

Vice Mayor Quesada: OK.

Commissioner Lago: That's \$1.50, correct?

Finance Director Gomez: No, its \$4.00.

Commissioner Lago: \$4.00.

Vice Mayor Quesada: Hold on a second, but there is nothing we can do about that, that's a fee.

Finance Director Gomez: I don't believe so.

Vice Mayor Quesada: Got it. OK.

Finance Director Gomez: So that comes off. There is about \$185,000 of that \$2 million that goes to the Senate Bill, which is about ten percent.

Vice Mayor Quesada: Again state, in a position we can't do anything about.

Finance Director Gomez: Right.

Commissioner Lago: But I want to break it down; so one is \$4 and the other one is \$1.50.

Finance Director Gomez: Well its ten percent of the remaining balance after you take off that \$4, so it comes out about, the City then of that same \$2 million example, would get about \$960,000 of that and then the County gets about \$470,000.

Vice Mayor Quesada: So, the \$470,000 the County gets is their processing fees, that's what they charge us to operate. So can you break down, you don't have to be terribly specific generally, what does processing mean? That means they have someone read the ticket, they send out the notice?

Parking Director Kinney: They accept payments, they do eventually send out a notice, they will assign it to the tax assessor if it needs to be collection activity; and at that point then our share if

it goes to the tax assessor comes down even more, because we help pay for the collection process.

Vice Mayor Quesada: Got it.

Assistant City Attorney Throckmorton: It also, that section to the County also goes over the appeals process, which are currently done by the parking violation bureau, we don't do that.

Vice Mayor Quesada: Got it. That's enough.

Parking Director Kinney: Our proposal would be that we do an administrative hearing process that would be much simpler and less – you don't have to drive downtown.

Vice Mayor Quesada: Got it. OK. Let me just keep it moving, because I have a few questions I want to get to. So if we were to switch over and say, no more County performing those services, we would do our own services. What my understanding is, we would lose money, we wouldn't be efficient enough or break about even or we'd bring in less money.

Finance Director Gomez: So, in the first year we'd have added expenditures of about \$500,000, so that \$470,000 that we would get from the County in the same \$18 example, we'd still be losing, not losing, but we wouldn't make sufficient revenues to cover our expenditures in just the citation revenue.

Vice Mayor Quesada: Got it.

Finance Director Gomez: Right – because we would have added expenditures.

Vice Mayor Quesada: That's year one, what about year two, three, four?

Finance Director Gomez: Year two would be \$140,000 more, but it would still be...

Vice Mayor Quesada: What do you mean more?- revenues?

Finance Director Gomez: Because there is a one-time expenditure.

Vice Mayor Quesada: I'm just trying to understand when you say more; when you said more, what are you talking about more?

Finance Director Gomez: More revenue.

Vice Mayor Quesada: More revenue – got it.

Finance Director Gomez:...because the one-time cost comes off, so we would have left over \$140,000 more.

Vice Mayor Quesada: Got it.

Finance Director Gomez: But, we would still be in a negative position on the \$18 ticket.

Vice Mayor Quesada: Understood. If we were to change to \$25...

Assistant City Attorney Throckmorton: Which is what's before you today.

Vice Mayor Quesada: Now I want to compare “apples to apples.” We are going to change \$25, if we stay with the County, what's our bottom line number? If we move away from the County and we perform the services, what's our bottom line number? Pure financial analysis, where do we keep more money?

Assistant City Attorney Throckmorton: Complicating this is that the County is changing their fees.

Mayor Valdes-Fauli: Can I ask a question....

Vice Mayor Quesada: Yes, of course.

Mayor Valdes-Fauli: 2017, the figures – compared what we got and what we would get in this scenario.

Vice Mayor Quesada: Well we just did that at \$18. Now the next question is if we bump up the price, if we bump up the price to \$25, what's the answer to that?

Parking Director Kinney: The positive if we do it it's over \$500,000 and that's positive with County fines....

Assistant City Attorney Throckmorton: It's about \$600 some thousand.

Vice Mayor Quesada: No, no, no, that's not an "apples to apples" comparison, because you are saying at \$32 or \$33 versus \$25 that's not what I'm asking. Imagine if the County was \$25, I want to know an "apples to apples" comparison.

Parking Director Kinney: Well there would be less expense on our side.

Finance Director Gomez: Sure. So I can give you that in a second.

Vice Mayor Quesada: So the bottom line, very simple question, do we make more money, do we keep more money at \$25 a fine County compared to us operating?

Finance Director Gomez: So, if the County – so at \$25, if we take it in-house, we talked about it would be a total increase to the budget of about \$500,000.

Vice Mayor Quesada: OK.

Finance Director Gomez: If the County maintain the same way we have it, so it doesn't increase our expenditures, we would, it would be a \$330,000 increase to the budget, so it's an \$80,000 profit, so-to-speak, in that fund.

Vice Mayor Quesada: Hold on – you are phrasing it in such a complicated way.

Finance Director Gomez: Sorry.

Vice Mayor Quesada: Did you just tell me that if we keep it in-house and not go with the County at \$25, \$25, we make more money that way?

Commissioner Keon: \$80,000.

Vice Mayor Quesada: \$80,000, well that's what I understood.

Finance Director Gomez: I guess I'm not sure that I understand your question. If we keep it in-house the same exact way that it is with the County processing, yes, we would – the budget difference would be \$330,000, because we are \$250,000 negative, but then we have a positive \$80,000, so we would be \$330,000...

Vice Mayor Quesada: As compared to \$500,000.

Finance Director Gomez: As compared to \$500,000, correct.

Vice Mayor Quesada: So then obviously, if we were at \$32 and \$32, makes more sense – so it makes more sense at anything over \$18.

Commissioner Lago: Yes.

Vice Mayor Quesada: Got it.

Commissioner Lago: Can I give you one more statement just to make you feel more comfortable and please correct me if I'm wrong. From what Kevin has told me and what staff has told me, Broward and Palm Beach does it the way we are trying to do it. Every municipality handles their own parking initiative.

Vice Mayor Quesada: Got it. I'm in favor.

Commissioner Lago: I just want to give you that sense of comfort, so you can understand.

Vice Mayor Quesada: I wasn't 100 percent clear whether we actually, the operating cost made sense for us to bring it in-house or not?

Parking Director Kinney: Yes, it does.

Vice Mayor Quesada: Now I have the answer.

Assistant City Attorney Throckmorton: Just to clarify. That calculus that Diana did at \$25, the amount with the County of \$25 and the City in-house at \$25, that's not every amount conceivable over \$18.

Commissioner Keon: So we are also raising the fees to \$25.

Commissioner Lago: Which is below with what the County is raising.

Assistant City Attorney Throckmorton: The County has proposed raising that \$18 ticket to \$32. The proposal in front of you to take it in-house has it at \$25 for that expired meter.

Parking Director Kinney: Which just for kind of historical perspective – 23 years ago was when it was set at \$18. Going to \$25 roughly meets about a one point nine percent (1.9%) increase over the 23 years, but the \$32 for our community seems a little bit much.

Commissioner Lago: Diana is probably going to mention this. The \$32 is going to take effect before we take into effect our \$25, so Frank's going to look great, I'm going to tell everybody that you lowered the \$32 to \$25, how's that.

Vice Mayor Quesada: So moved.

Finance Director Gomez: And just to be clear. We are just basing it on the expired \$18; different tickets have different fines and so the numbers that I'm basing it on are relative increases to all of those as well, based on the ordinance.

Parking Director Kinney: A huge percentage of our fines are the \$18 fines.

Finance Director Gomez: Right.

Parking Director Kinney: I think 60 percent of our fines.

City Attorney Ramos: So there are two different items on the agenda. I think it's important on F-4 for you to look at the chart that you were provided, which looks at the new amounts that are being proposed before you vote on it.

Vice Mayor Quesada: I move for approval on F-4.

Commissioner Lago: So moved.

Commissioner Mena: Second.

Mayor Valdes-Fauli: Will you call the roll please.

Commissioner Mena: Yes

Vice Mayor Quesada: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

City Attorney Ramos: We need a motion on F-3.

Commissioner Lago: So moved.

Vice Mayor Quesada: Second.

Mayor Valdes-Fauli: Will you call the roll please.

Commissioner Lago: Yes

Commissioner Mena: Yes

Vice Mayor Quesada: Yes

Commissioner Keon: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

[End: 2:13:57 p.m.]